



GREEK ORTHODOX ARCHDIOCESAN CATHEDRAL OF THE HOLY TRINITY

ΕΛΛΗΝΙΚΟΣ ΟΡΘΟΔΟΞΟΣ ΑΡΧΙΕΠΙΣΚΟΠΙΚΟΣ ΚΑΘΕΔΡΙΚΟΣ ΝΑΟΣ ΑΓΙΑΣ ΤΡΙΑΔΟΣ

FOUNDED 1892

RECEIVED & INSPECTED

MAR 21 2005

FCC - MAILROOM

THIS IS AN APPEAL – THIS IS AN APPEAL – THIS IS AN APPEAL

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

March 15, 2005

**FCC - Office of the Secretary
445 12th Street SW
Washington, DC 20554**

DOCKET FILE COPY ORIGINAL

Re: CC Docket No. 02-6

Gentlemen:

The Cathedral School applied for funding under the E-rate program, pursuant to a contract with Connect2, who were Internet Providers approved by the Universal Service Administration Company (USAC.) We subsequently learned that Connect2 misled us, and apparently did not properly handle this account, among others. We were notified by USAC that as a result of their problems with Connect2 they wanted reimbursement from The Cathedral School.

We are enclosing herewith copies of the following:

- a. - Copy of our Letter of Appeal dated May 19, 2004 to USAC, Schools & Libraries Division contents of which are self-explanatory.**
- b. - Copy of the USAC Schools & Libraries Division letter of January 18, 2005 advising that our appeal is Denied in Full and advising us that we may appeal to FCC within 60 days of January 18, 2005.**

We reiterate the facts outlined in our letter of May 19, 2004:

We dealt in good faith with an Internet Provider which was approved by the USAC.

We have paid all the Invoices presented to us by Connect2 and we have not attempted to avoid our obligations.

No. of Copies made _____
List ACODE _____

We have not been in contact with Connect2 since June 16, 2003.

The Cathedral School, which is part of our Cathedral, did not receive any funds from the USAC and therefore is not responsible for repayment of the requested amount of \$ 104,905.30.

On 2/14/05 we contacted the USAC by telephone, under Reference No. 21-214078 and pointed out to them that in their letter of January 18, 2005 they mention:

The FCC stated that repayment would be sought "from service providers rather than schools and libraries because, unlike schools and libraries that receive discounted services, service providers actually receive disbursements of funds from the universal service support mechanism."

The USAC advised us during the above mentioned telephone conversation that indeed they will not attempt to recover the above amount from our School but will seek recovery from Connect2. They also advised that the appeal to FCC is part of a routine Form Letter reply.

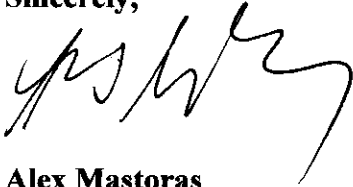
Nevertheless, in order to follow the written instructions in USAC letter of January 18, 2005, we are filing this appeal and have to repeat that we agree with your statement that recovery should be effected from the Internet Provider, in this instance, Connect2.

In any case, The Cathedral School, similarly to most New York schools, is running a big deficit and does not have any funds to pay for computer equipment supplied a few years ago which are already considered obsolete.

We trust that you will agree with our position and grant our appeal.

If you need any further information, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Mastoras', written over a horizontal line.

**Alex Mastoras
Administrator
encl.**



Greek Orthodox Archdiocesan Cathedral of the Holy Trinity

ΕΛΛΗΝΙΚΟΣ ΟΡΘΟΔΟΞΟΣ ΑΡΧΙΕΠΙΣΚΟΠΙΚΟΣ ΚΑΘΕΔΡΙΚΟΣ ΝΑΟΣ ΑΓΙΑΣ ΤΡΙΑΔΟΣ

FOUNDED 1892

319 EAST 74th STREET • NEW YORK, NY 10021 • TEL: (212) 288-3215 • FAX (212) 288-5876

May 19, 2004

LETTER OF APPEAL

Schools and Libraries Division
Box 125- Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

CERTIFIED MAIL -RETURN RECEIPT

Re: Commitment Adjustment
Funding Year 2000-2001
Form 471 Application Numbers 191068

Gentlemen:

THIS IS AN APPEAL – THIS IS AN APPEAL

We are responding to your letter of April 1, 2004 addressed to Mr. Minas Kazepis of The Cathedral School which is a part of our Cathedral.

Mr. Kazepis has not been with the School since 2001 and the present Principal will not continue for the next academic year. It is therefore incumbent upon the undersigned as Administrator of the Cathedral to respond to your letter regarding rescinding of part of your funding under year 3 of the E-rate Program.

Following a review of our records on the matter, we have determined that:

- a. - An application for funding under E-rate program was made by the Cathedral School based on a contract with Connect2, who were internet providers approved by your program and given a SPIN by the Universal Service Administrative Company. We understood that USAC was vetting the various Service Providers prior to issuing such SPIN.
- b. - On November 17, 2000, you advised the Cathedral School of your 90% commitment funding approval.

c. - Connect2 proceeded to implement their contract and provided internet services until June 16, 2003, when they ceased to provide us with T1 service. During this time, we paid all the invoices that Connect2 submitted.

We understand that your Agency has had some problems with Connect2, however, we fail to understand the basis of your Commitment Adjustment and your request that an amount of \$104,905.30 be refunded to you representing 42.47% of the funded contract (\$247,010.40). It was always our understanding based on our contract with Connect2 that the School's maximum exposure with regard to the funding under E-rate would be 10% of that amount and in accordance with your letter, that amount was to be collected by Connect2 and not by the Schools and Libraries Division/ USAC. We have paid every invoice submitted to us by Connect2, and we have made no effort to avoid our obligations under our contract.

We are not aware of your investigations, discussions and arrangements with Connect2 and we have not communicated with them since June 2003. However, it seems to us that any claim you may have, it should be against Connect2 as the Cathedral School is an innocent bystander in this matter who dealt with an internet provider who was approved by your organization.

Your letter of April 1, 2004, mentions that you were to send us a copy of your letter to the service provider describing the process for recovery of the funds. Until today, we have not received a copy of such letter.

Please be advised that while we are sending you this letter as a timely appeal to the rescinding of part of the funding for services already provided, we repudiate any obligation to the USAC for payment of any amount over our contractual obligation. As we mentioned above, if you have a claim against Connect2 you should apply directly to them for reimbursement.

Sincerely,

Alex Mastoras
Administrator

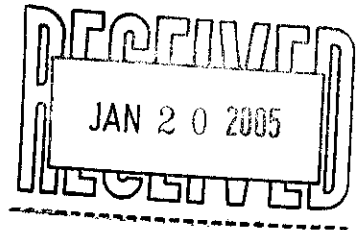


Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2000-2001

January 18, 2005

Alex Mastoras
Greek Orthodox Archdiocesan Cathedral of the Holy Trinity
319 East 74th Street
New York, NY 10021



Re: Billed Entity Number: 9977
 471 Application Number: 191068
 Funding Request Number(s): 405672
 Your Correspondence Dated: May 19, 2004

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year 2000 Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 405672
Decision on Appeal: **Denied in full**
Explanation:

- You have stated on appeal that you understand that the SLD has had some problems with Connect2. However, you fail to understand the basis of the Commitment Adjustment that was made to this funding request in the amount of \$104,905.30. You state that it was always your understanding based on the contract with Connect2 that the schools maximum exposure with regard to the funding under E-rate would be 10% and in accordance with the issued letter, that amount was to be collected by the service provider and not by SLD/USAC. You also state that you have paid every invoice submitted to you by Connect2 and you are not aware of the SLD investigations, discussions and arrangements with Connect2. You have not communicated with Connect2 since June 2003. You close by stating that you disagree with the rescinding and recovery of funds for services already provided, and repudiate any obligation to USAC for payment of

any amount over the contractual obligation and if the SLD has a claim against Connect2, the SLD should apply directly to them for reimbursement.

- After a thorough review of the appeal and all relevant documentation, it was determined that on December 10, 2002 the Service Provider, Connect 2 Networks Inc. prepared a document titled: Voluntary Disclosures and Efforts to Determine and Address USAC concerns. Within this document, it is stated that the vendor has failed to collect the required payment for your non-discounted portion of this FRN. It was determined that Connect2 Internet Networks has only collected \$15,790.00 of the required applicant portion of \$27,445.00. Consequently, the SLD must now recover the already disbursed portion of the commitment for which the applicant share has not been collected. FCC rules require the applicant to pay its service provider the full cost of the non-discounted portion owed to the service provider from funds budgeted within the funding year (see FCC Form 471, Block 6, Item 25). The Commitment Adjustment Letter seeking recovery of \$104,905.30 which has already been disbursed was justified based on comments made by the Service Provider within the voluntary disclosures documentation. Consequently, the appeal is denied in full.
- The FCC has directed USAC "to adjust funding commitments made to schools and libraries where disbursement of funds associated with those commitments would result in violations of a federal statute" and to pursue collection of any disbursements that were made in violation of a federal statute. *See In re Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket Nos. 97-21, 96-45, FCC 99-291 ¶ 7 (rel. October 8, 1999). The FCC stated that federal law requires the Commission to "seek repayment of erroneously disbursed funds" where the disbursements would violate a federal statute. *Id.* ¶¶ 7, 1. The FCC stated that repayment would be sought "from service providers rather than schools and libraries because, unlike schools and libraries that receive discounted services, service providers actually receive disbursements of funds from the universal service support mechanism." *Id.* ¶ 9.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either the SLD or the Federal Communications Commission (FCC). For appeals that have been denied in full, partially approved, dismissed, or cancelled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company